

JUDICIAL COUNCIL OF CALIFORNIA
ADMINISTRATIVE OFFICE OF THE COURTS
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Report

TO: Members of the Judicial Council

FROM: Christine Hansen, Director, Finance Division, 415-865-7951
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DATE: January 9, 2002

SUBJECT: Trial Court Improvement Fund (TCIF) and Judicial
Administration Efficiency and Modernization Fund (Mod Fund)
Guidelines (Action Required)

Issue Statement

Government Code section 77209(g) allows the Judicial Council, with appropriate guidelines, to delegate to the Administrative Office of the Courts the administration of the Trial Court Improvement Fund. Government Code section 77213(b) allows the Judicial Council, with appropriate guidelines, to delegate to the Administrative Office of the Courts the administration of the Judicial Administration Efficiency and Modernization Fund. Under the current economic situation, the approval of appropriate guidelines and the subsequent delegation of administration of both funds will allow critical needs of the courts to be met on a timely basis and enable staff to commit funding in a situation where funds might otherwise be redirected for other uses by the Legislature.

Recommendation

1. The Executive and Planning Committee and Administrative Office of the Courts staff recommend that the Judicial Council, effective February 1, 2002, approve the Trial Court Improvement Fund and Modernization Fund guidelines included in this report.
2. It is also recommended that the Judicial Council delegate authority to the Administrative Director of the Courts to approve as necessary allocations that comply with the approved guidelines, effective February 1, 2002.

Rationale for Recommendation

Under the current economic situation, the approval of appropriate guidelines and the subsequent delegation of administration of both funds will allow critical needs of the

courts to be met on a timely basis and enable staff to commit funding in a situation where funds might otherwise be redirected for other uses by the Legislature.

Alternative Actions Considered

Maintenance of the status quo was considered. This would require the Administrative Office of the Courts to continue to take all new allocation requests to the Judicial Council for approval. This causes delay in approving and funding of critical needs in the trial courts.

Comments From Interested Parties

Not applicable.

Implementation Requirements and Costs

While there is no direct cost associated with either the guidelines or delegation of the administration of the TCIF and Mod Fund, compliance with the applicable laws and the guidelines as approved by the Judicial Council is required.

**Trial Court Improvement Fund
(0159)**

**INTERNAL
GUIDELINES**

January 2002

**Judicial Council of California
Ronald M. George, Chief Justice of California
William C. Vickrey, Administrative Director of the Courts**

TRIAL COURT IMPROVEMENT FUND – 0159

INTERNAL GUIDELINES

1. Introduction

The purpose of these guidelines is to provide management and staff with general policies and procedures for allocating funds from the Trial Court Improvement Fund (TCIF) (0159) and tracking expenditures on an annual basis. The TCIF was created to improve court management and efficiency, case processing, and timeliness of trials. The TCIF is continuously appropriated.

Government Code section 77209 (Chapter 1211, Statutes of 1997), subsection (g), authorizes the Judicial Council to administer moneys deposited in the TCIF and allows the Judicial Council, “with appropriate guidelines,” to delegate administration of the fund to the Administrative Office of the Courts. The following guidelines provide criteria by which allocations may be requested and approved and streamline the process of allocating funds from the TCIF by the Administrative Office of the Courts. These guidelines include a brief description of the process and the responsibilities of each party involved in the process.

2. Guidelines

The TCIF is to be used and allocated in the following manner:

Upon annual approval by the Judicial Council of a proposed TCIF budget, the Administrative Director of the Courts or designee, on behalf of the Judicial Council, or the Chief Financial Officer (CFO), representing the Administrative Director of the Courts, reviews and approves specific requests falling within the guidelines. Requests that fall outside the scope of these guidelines must go to the Judicial Council for approval. The Executive and Planning Committee is authorized to act on behalf of the Judicial Council in approving allocations when convening the Judicial Council is impractical.

One percent of the annual appropriation for the trial courts in the Trial Court Trust Fund is transferred to the TCIF. The transferred funds are set aside as a reserve for the following projects: (1) At least one-half of the 1 percent is to remain unallocated prior to March 15 of each year unless allocated to a court or courts for urgent needs. An urgent need is defined as an unanticipated or critical financial obligation that cannot be reasonably funded from within the local court’s budget and that requires a one-time allocation of funds within the fiscal year in which the urgent need arises. The court or courts must submit such a request in writing to the Administrative Director of the Courts through the CFO of the Administrative Office of the Courts as soon as the urgent need is determined. Approval of such requests will be made in conformance with these guidelines. (2) Up to one-quarter of 1 percent may be allocated for trial courts that have fully unified and/or met any additional criteria established by the

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Judicial Council. (3) Up to one-quarter of 1 percent may be allocated for statewide projects or programs for the benefit of the trial courts.

The remaining annual TCIF budget approved by the Judicial Council may be allocated for the following purposes: (1) existing annual obligations such as the Litigation Management Program (including any rollover balances), Judicial Insurance, Judicial Conduct Reporter, Judicial Officers Assistance Program, ongoing support of trial court base operations, and unfunded negotiated salary increases for trial court employees; (2) automated record keeping system improvements pursuant to section 68090.8 of the Government Code (otherwise known as the 2% automation fund); and (3) trial court projects approved by the Judicial Council either in accordance with these guidelines or by specific approval.

Following is a brief description of the process and the responsibilities of the Administrative Office of the Courts' program staff, Budget Office, and management, as well as that of the Judicial Council. Reference materials are included at the end as part of these guidelines.

3. Program Staff Responsibilities

Program staff is defined as divisions of the Administrative Office of the Courts and the individual staff members designated by them as the project managers for approved projects. Program staff are responsible for identifying projects that qualify to be funded from the TCIF. Once projects or allocations have been approved, program staff are responsible for managing them in such a way as to be able to report on them in an accurate and timely manner and ensure compliance with fiscal and programmatic requirements as well as any applicable laws, rules, and/or other requirements.

As such, either by direct solicitation or in the process of reviewing trial court operations, program staff may identify three kinds of trial court needs. These needs may be one-time requests to be filled within the current fiscal year, limited-term projects spanning more than one fiscal year, or ongoing needs that the Judicial Council may designate as permanent allocations. Each of these types of needs must qualify under the criteria stated.

Once the need has been identified, program staff prepare the request in writing, either in hard copy or electronically. The written request is made first to program staff management, (that is, the division director), and requires approval before being forwarded to the Budget Office. The request must state clearly the scope of the project, how much is requested, what will be accomplished, how programmatic and fiscal progress will be monitored, and the date when completion is to be verified and reported by the project manager and to whom.

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Even though these guidelines permit the Administrative Director of the Courts to approve projects to be expended from the TCIF, program staff are responsible for preparing any and all reports on approved projects as may be required for Judicial Council and/or Legislative review. At least once a year, the Administrative Office of the Courts is required to report to the Judicial Council on allocations made from the TCIF. As a result, program staff are required to prepare a report on each allocation for which they are responsible.

Upon approval of a requested project, program staff are responsible for preparing the proper documents in a timely manner in order to encumber or spend the approved funds. Preparing a Contract Transmittal Form (CTF) for contracts, a Special Requisition for purchase orders, or a draft Memorandum of Understanding (MOU) for restricted allocation of funds and submitting these documents to the Business Services section of the Accounting Unit may accomplish this. To ensure that TCIF projects administered directly by program staff on behalf of the trial courts meet the Administrative Office of the Courts' fiduciary responsibility to the trial courts, the Administrative Office of the Courts has internally set detailed spending criteria for allowable expenditures.

Once the funds have been encumbered or spent and the project is under way, program staff must ensure compliance with contract, memorandum of understanding, or purchase order terms; approve invoices for payment on a timely basis; and review accounting expenditure reports for accuracy and completeness. Any miscoding must be reported to the Accounts Payable section of the Accounting Unit in a timely manner. It is the responsibility of program staff to ensure that expenditures, including encumbrances, remain within approved allocations. Any expenditures over those amounts will have to be absorbed by the trial court's budget.

4. Finance Division Responsibilities

Upon receipt of a request for allocation that has been approved by the appropriate division director, Budget Unit staff are responsible for verifying the availability of funds. Budget Unit staff are to maintain worksheets on which are posted revenues, allocations, expenditures, encumbrances, and actual and projected balances and reconcile these with the Administrative Office of the Courts' monthly financial reports. Once sufficient funds are verified as being available to fund the requested project(s), budget staff will identify the category within the TCIF that best fits the requested allocation and complies with Government Code section 77209. They will also determine if the request is a trial court project that will be allocated directly to the courts on a one-time or on an ongoing basis.

Any other request that fails to meet the criteria outlined above requires Judicial Council review and approval. In that case, budget staff will inform program staff that

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the project may not proceed and ask them to prepare a report to the Judicial Council for submittal at the next council meeting. If the requested project is of such importance that waiting for the next Judicial Council meeting is inopportune, budget staff will forward the requested project to the CFO and ask that a meeting of the Executive and Planning Committee be convened to consider and approve the request.

At least once a year, Budget Unit staff will present approved projects to the Judicial Council for its review and/or final approval. The budget staff will target the Judicial Council meeting in August of each year in which to present new requests for allocations in conjunction with the proposed budget for that year. Along with the appropriate program staff, budget staff will present this item during the Judicial Council meeting.

Upon approval by the Judicial Council or approval through authority delegated to the Administrative Director of the Courts, budget staff will coordinate with the Accounting Unit to set up the proper accounting code for each project. Accounting will notify the appropriate division director and budget staff of the code for the approved project. Accounting staff will post expenditures, including encumbrances, according to the code set for each project. Program staff will use the proper code and prepare the CTF, Special Requisition for purchase orders, or draft MOU, as required.

At year-end closing, budget staff will provide accounting staff with correct accrual amounts. Budget staff will review, analyze, and use the year-end statements in preparing budget schedules and estimates for the upcoming budget years. Budget staff will solicit input and/or updates from program managers and draft the annual report. Budget staff will provide a copy of the final report to appropriate management and staff.

Finally, as part of the annual budget preparation process, budget staff will prepare the official Fund Condition Statement, revenue projections (Schedule 10R), estimates of expenditures (Planning Estimates), and proposed budget (Governor's Galley). Since these items are due in the fall and early winter of each year, budget staff will prepare appropriate versions of these items in a modified format for the Judicial Council meeting in August. On the basis of these reports and the proposed amounts allocated for the categories stated above, the Administrative Director of the Courts through the CFO or designated staff will request general approval of the proposed TCIF budget for the current fiscal year.

5. Management Responsibilities

The division director is to review each request submitted by program staff in the division. In addition to reviewing for completeness and reasonableness, the division director is responsible for ensuring compliance with these guidelines. If the request

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falls within the guidelines and the division director has determined that the request is both appropriate and defensible, the division director is to approve the request by signing the written request (if submitted in hard copy) and forwarding the signed request to the CFO in care of the Finance Division. If the request is made electronically, the division director is to forward the approved request to the CFO with a copy to the appropriate division and budget staff.

As appropriate, the CFO delegates specific duties and assigns the resources needed to process, track, and report on requested allocations. Like the other division directors, the CFO is responsible for ensuring compliance with these guidelines. In addition, the CFO is to regularly advise the Administrative Director of the Courts on all issues related to this matter.

6. Judicial Council Responsibilities

Ultimately, the Judicial Council is the approving and responsible party for the TCIF. As authorized by Government Code section 77209, these guidelines simply implement the Judicial Council's authority to delegate administration of the TCIF to the Administrative Office of the Courts. In order to facilitate the process, once a year the Judicial Council approves the proposed TCIF budget for the current fiscal year and any modifications to these guidelines. The Administrative Director of the Courts, on behalf of the Judicial Council, or the CFO, representing the Administrative Director of the Courts, reviews and approves specific requests falling within these guidelines.

The Judicial Council reviews and approves or denies requests that go beyond the criteria stated above or fall outside the scope of these guidelines. The Executive and Planning Committee, in addition to setting the agenda for each Judicial Council meeting, is authorized to act on behalf of the Judicial Council in approving projects when convening the Judicial Council is impractical. This includes reviewing and approving any and all official reports on use of the TCIF.

7. Reference Materials

The following items are attached to these guidelines: a summary of the legal authority, purpose, major funding sources, description, and disposition of the fund and copies of Government Code section 77209 (Chapter 1211, Statutes of 1987) and Government Code section 68090.8.

Administrative Office of the Courts <div style="text-align: center;">STATE OF CALIFORNIA STATE FUNDS</div>		Fund: 0159 PAGE 1 Renumbered From:
<u>Legal Title</u> Trial Court Improvement Fund		
<u>Legal Citation</u> Government Code section 77209		
<u>Fund Classification</u> <u>GAAP Basis</u> Governmental/Special Revenue	<u>Fund Classification</u> <u>Legal Basis</u> Governmental/Other Governmental Cost Funds	
<u>Authority and Purpose</u> Chapter 1211, Statutes of 1987, created the Trial Court Improvement Fund as a depository for appropriated funds to be disbursed to option counties through grants administered by the Judicial Council to improve court management and efficiency, case processing, and timeliness of trials, as specified.		
<u>Administering Agency</u> State Trial Court Funding/Org Code 0450		
<u>Major Sources</u> 1 percent of the annual appropriation for support of the trial courts.		
<u>Disposition</u> Funds shall be allocated or reallocated by order of the Judicial Council to trial courts for equipment, personnel, education, demonstration projects, research, programs, and facilities, to improve trial court operations. Not more than 50 percent of the annual Trial Court Improvement Fund allocation may be used for court facilities construction, as specified.		
<u>Appropriation Authority</u> Section 77209 of the Government Code provides that the annual appropriation shall be used as specified. Any funds unencumbered at the end of that fiscal year are reappropriated to the Trial Court Improvement Fund for the following fiscal year.		
<u>State Appropriations Limit</u> Always Excluded - The major revenue source is transferred from another fund which has already been counted in an always excluded fund, the Trial Court Trust Fund (0932), and should not be double counted.		
<u>Historical Comments</u> Administering Org changed from 0250 to 0450.		

CALIFORNIA CODES

GOVERNMENT CODE

SECTION 77209

77209. (a) There is in the State Treasury the Trial Court Improvement Fund.

(b) The Judicial Council shall reserve funds for the following projects by allocating 1 percent of the annual appropriation for the trial courts to the Trial Court Improvement Fund as follows:

(1) At least one-half of 1 percent of the total appropriation for trial court operations shall be set aside as a reserve which shall not be allocated prior to March 15 of each year unless allocated to a court or courts for urgent needs.

(2) Up to one-quarter of 1 percent of the total appropriation for trial court operations may be allocated from the fund to courts which have fully unified to the extent permitted by law and which meet additional criteria as may be established by the Judicial Council.

(3) Up to one-quarter of 1 percent of the total appropriation for trial court operations may be allocated from the fund for statewide projects or programs for the benefit of the trial courts.

(c) Any funds in the Trial Court Improvement Fund that are unencumbered at the end of the fiscal year shall be reappropriated to the Trial Court Improvement Fund for the following fiscal year.

(d) Moneys deposited in the Trial Court Improvement Fund shall be placed in an interest bearing account. Any interest earned shall accrue to the fund and shall be disbursed pursuant to subdivision (e).

(e) Moneys deposited in the Trial Court Improvement Fund may be disbursed for purposes of this section.

(f) Moneys deposited in the Trial Court Improvement Fund pursuant to Section 68090.8 shall be allocated by the Judicial Council for automated recordkeeping system improvements pursuant to that section

and in furtherance of Rule 991 of the California Rules of Court, as it read on July 1, 1996.

(g) Moneys deposited in the Trial Court Improvement Fund shall be administered by the Judicial Council. The Judicial Council may, with appropriate guidelines, delegate to the Administrative Director of the Courts the administration of the fund. Moneys in the fund may be expended to implement trial court projects approved by the Judicial Council. Expenditures may be made to vendors or individual trial courts that have the responsibility to implement approved projects.

(h) Notwithstanding other provisions of this section, the 2 percent automation fund moneys deposited in the Trial Court Improvement Fund pursuant to Section 68090.8 shall be allocated by the Judicial Council to individual courts of the counties for deposit in the Trial Court Operations Fund of the county from which the money was collected in an amount not less than the revenues collected in the local 2 percent automation funds in fiscal year 1994-95. The Judicial Council shall allocate the remainder of the moneys deposited in the Trial Court Improvement Fund as specified in this section.

For the purposes of this subdivision, the term "2 percent automation fund" means the fund established pursuant to Section 68090.8 as it read on June 30, 1996.

(i) The Judicial Council shall present an annual report to the Legislature on the use of the Trial Court Improvement Fund. The report shall include appropriate recommendations.

CALIFORNIA CODES

GOVERNMENT CODE

SECTION 68090.8

68090.8. (a) (1) The Legislature finds that the management of civil and criminal cases, including traffic cases, and the accounting for funds in the trial courts requires these courts to implement appropriate levels of automation.

(2) The purpose of this section is to make a fund available for the development of automated accounting, automated data collection through case management systems, and automated case-processing systems for the trial courts, together with funds to train operating personnel, and for the maintenance and enhancement of the systems.

(3) Automated data collection shall provide the foundation for planning, research, and evaluation programs that are generated from within and outside of the judicial branch. This system shall be a resource to the courts, the Judicial Council and its committees, the Administrative Office of the Courts, the Legislature, the Governor, and the public. During the developmental stage and prior to the implementation of the system, the Legislature shall make recommendations to the Judicial Council as to the breadth and level of detail of the data to be collected.

(b) Prior to making any other required distribution, the county treasurer shall transmit 2 percent of all fines, penalties, and forfeitures collected in criminal cases, including, but not limited to, moneys collected pursuant to Chapter 12 (commencing with Section 76000) of Title 8 of this code, Section 13003 of the Fish and Game Code, Section 11502 of the Health and Safety Code, and Chapter 1 (commencing with Section 1427) of Title 11 of Part 2 of the Penal

Code, into the Trial Court Improvement Fund established pursuant to Section 77209, to be used exclusively to pay the costs of automating trial court recordkeeping systems. These systems shall meet Judicial Council performance standards, including production of reports as needed by the state, the counties, and local governmental entities.

**Judicial Administration Efficiency
and Modernization Fund
(0556)**

**INTERNAL
GUIDELINES**

January 2002

**Judicial Council of California
Ronald M. George, Chief Justice of California
William C. Vickrey, Administrative Director of the Courts**

JUDICIAL ADMINISTRATION EFFICIENCY and MODERNIZATION FUND – 0556
INTERNAL GUIDELINES

1. Introduction

The purpose of these guidelines is to provide management and staff with general policies and procedures for allocating funds from the Judicial Administration Efficiency and Modernization Fund (Mod Fund) (0556) and tracking expenditures on an annual basis. The Mod Fund was created to promote improved access, efficiency, and effectiveness in trial courts and to implement projects approved by the Judicial Council. The Mod Fund appropriation for the current fiscal year must be spent or encumbered by the Administrative Office of the Courts by June 30. Any moneys that are unencumbered at the end of any given fiscal year are maintained in the Mod Fund and can only be used in the following fiscal year, if reappropriation is approved through the annual budget process.

Government Code section 77213 (Chapter 850, Statutes of 1997), subsection (b) authorizes the Judicial Council to administer moneys deposited in the Mod Fund and allows the Judicial Council, “with appropriate guidelines,” to delegate administration of the fund to the Administrative Office of the Courts. The following guidelines provide criteria by which allocations may be requested and approved and streamline the process of allocating funds from the Mod Fund by the Administrative Office of the Courts. The guidelines include a brief description of the process and the responsibilities of each party involved in the process.

2. Guidelines

The Mod Fund is to be allocated in the following manner:

Upon annual approval by the Judicial Council of a proposed Mod Fund budget, the Administrative Director of the Courts or designee, on behalf of the Judicial Council, or the Chief Financial Officer (CFO), representing the Administrative Director of the Courts, reviews and approves specific requests falling within the guidelines. Requests that fall outside the scope of these guidelines must go to the Judicial Council for approval. The Executive and Planning Committee is authorized to act on behalf of the Judicial Council in approving projects when convening the Judicial Council is impractical.

Moneys in the Mod Fund may be used to promote improved access, efficiency, and effectiveness in trial courts that have fully unified. Moneys in the fund may be expended to implement Judicial Council–approved projects. In all cases, expenditures may be made to vendors or individual courts that have the responsibility to implement approved projects. Funds may be requested on a one-time basis for projects that fall within the following categories:

JUDICIAL ADMINISTRATION EFFICIENCY and MODERNIZATION FUND – 0556
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1. Improved technology or equipment upgrades.
2. Trial court education programs that are:
 - a. Mandated state education programs;
 - b. Other training programs;
 - c. Local education programs; or
 - d. Statewide administrative conferences.
3. Pilot projects and miscellaneous local assistance.

Following is a brief description of the process and the responsibilities of the Administrative Office of the Courts' program staff, Budget Office, and management, as well as that of the Judicial Council. Reference materials are included at the end as part of these guidelines and procedures.

3. Program Staff Responsibilities

Program staff are defined as divisions of the Administrative Office of the Courts and the individual staff members designated by them as the project managers for approved projects. Program staff are responsible for identifying projects that qualify as Mod Fund allocations. Once projects have been approved, program staff are responsible for managing them in such a way as to be able to report on them in an accurate and timely manner and ensure compliance with fiscal and programmatic requirements as well as any applicable laws, rules, and/or other requirements.

As such, either by direct solicitation or in the process of reviewing trial court operations, program staff may identify three kinds of trial court needs. These needs may be one-time requests to be filled within the current fiscal year, limited-term projects spanning more than one fiscal year, or ongoing allocations that the Judicial Council may designate as permanent reallocations.

Once the need has been identified, program staff prepare the request in writing, either in hard copy or electronically. The written request is made first to program staff management, (that is, the division director) and requires approval before being forwarded to the Budget Office. The request must state clearly the scope of the project, how much is requested, what will be accomplished, how programmatic and fiscal progress will be monitored, and the date when completion is to be verified and reported by the project manager and to whom.

Even though these guidelines permit the Administrative Director of the Courts to approve projects from the Mod Fund, program staff are responsible for preparing any and all reports on approved projects as may be required for Judicial Council and/or

JUDICIAL ADMINISTRATION EFFICIENCY and MODERNIZATION FUND – 0556 INTERNAL GUIDELINES

Legislative review. At least once a year, the Administrative Office of the Courts is required to report to the Judicial Council on projects funded from the Mod Fund. The Administrative Office of the Courts is also required to report to the Legislature on the Mod Fund on a yearly basis. As a result, program staff are required to prepare a report on each project for which they are responsible.

Upon approval of a requested project, program staff are responsible for preparing the proper documents in a timely manner in order to encumber or spend the approved funds. Preparing a Contract Transmittal Form (CTF) for contracts, a Special Requisition for purchase orders, or a draft Memorandum of Understanding (MOU) for restricted allocation of funds and submitting these documents to the Business Services section of the Accounting Unit may accomplish this. To ensure that Mod Fund projects administered directly by program staff on behalf of the trial courts meet the Administrative Office of the Courts' fiduciary responsibility to the trial courts, the Administrative Office of the Courts has internally set detailed spending criteria for allowable expenditures.

Once the funds have been spent or encumbered and the project is under way by the court, program staff must review the work product to ensure compliance with contract, memorandum of understanding, or purchase order terms; approve invoices for payment on a timely basis; and review accounting expenditure reports for accuracy and completeness. Any miscoding must be reported to the Accounts Payable section of the Accounting Unit in a timely manner. It is the responsibility of program staff to ensure that expenditures, including encumbrances, remain within approved allocations. Any expenditures over those amounts will have to be absorbed by the trial court's budget.

4. Finance Division Responsibilities

Upon receipt of a request for allocation that has been approved by the appropriate division director, Budget Unit staff are responsible for verifying the availability of funds. Budget Unit staff are to maintain worksheets on which are posted allocations, expenditures, encumbrances, and actual and projected balances and reconcile these with the Administrative Office of the Courts' monthly financial reports. Once sufficient funds are verified as being available to fund the requested project(s), budget staff will identify the category within the Mod Fund that best fits the requested allocation and complies with Government Code section 77213. They will also determine if the request is a trial court project that will be allocated directly to the courts on a one-time or on an ongoing basis.

Any other request that fails to meet the criteria outlined above requires Judicial Council review and approval. In that case, budget staff will inform program staff that the project may not proceed and ask them to prepare a report to the Judicial Council

JUDICIAL ADMINISTRATION EFFICIENCY and MODERNIZATION FUND – 0556 INTERNAL GUIDELINES

for submittal at the next council meeting. If the requested project is of such importance that waiting for the next Judicial Council meeting is inopportune, budget staff will forward the request to the CFO and ask that a meeting of the Executive and Planning Committee be convened to consider and approve the request.

At least once a year, Budget Unit staff will present approved projects to the Judicial Council for its review and/or final approval. The budget staff will target the Judicial Council meeting in August of each year in which to present new requests in conjunction with the proposed budget for that year. Along with the appropriate program staff, budget staff will present this item during the Judicial Council meeting.

Upon approval by the Judicial Council or approval through authority delegated to the Administrative Director of the Courts, budget staff will coordinate with the Accounting Unit to set up the proper accounting code for each project. Accounting will notify the appropriate division director and budget staff of the code for the approved project. Accounting staff will post expenditures, including encumbrances, according to the code set for each project. Program staff will use the proper code and prepare the CTF, Special Requisition for purchase orders, or draft MOU, as required.

At year-end closing, budget staff will provide accounting staff with correct accrual amounts. Budget staff will review, analyze, and use the year-end statements in preparing budget schedules and estimates for the upcoming budget years. In addition, budget staff will prepare the annual report to the Legislature, which is due in December of each year. Budget staff will solicit input and/or updates from program managers and draft the annual report. Upon submission to the Legislature, budget staff will provide a copy of the final report to the appropriate management and staff.

Finally, as part of the annual budget preparation process, budget staff will prepare the official Fund Condition Statement, revenue projections (Schedule 10R), estimates of expenditures (Planning Estimates), and proposed budget (Governor's Galley). Since these items are due in the fall and early winter of each year, budget staff will prepare appropriate versions of these items in a modified format for the Judicial Council meeting in August. On the basis of these reports and the proposed amounts allocated along the categories stated above, the Administrative Director of the Courts through the CFO or designated staff will request general approval of the proposed Mod Fund budget for the current fiscal year.

5. Management Responsibilities

The division director is to review each request submitted by program staff in the division. In addition to reviewing for completeness and reasonableness, the division director is responsible for ensuring compliance with these guidelines. If the request falls within the guidelines and the division director has determined that the request is

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both appropriate and defensible, the division director is to approve the request by signing the written request (if submitted in hard copy) and forwarding the signed request to the CFO in care of the Finance Division. If the request is made electronically, the division director is to forward the approved request to the CFO with a copy to the appropriate division and budget staff.

As appropriate, the CFO delegates specific duties and assigns the resources needed to process, track, and report on requested allocations. Like the other division directors, the CFO is responsible for ensuring compliance with these guidelines. In addition, the CFO is to regularly advise the Administrative Director of the Courts on all things related to this matter.

6. Judicial Council Responsibilities

Ultimately, the Judicial Council is the approving and responsible party for the Mod Fund. As authorized by Government Code section 77213, these guidelines simply implement the Judicial Council's authority to delegate administration of the Mod Fund to the Administrative Office of the Courts. In order to comply with the statutory requirements and facilitate the process, once a year the Judicial Council approves the proposed Mod Fund budget for the current fiscal year and any modifications to these guidelines. The Administrative Director of the Courts, on behalf of the Judicial Council, or the CFO, representing the Administrative Director of the Courts, reviews and approves specific requests falling within these guidelines.

The Judicial Council reviews and approves or denies requests that go beyond the criteria stated above or fall outside the scope of these guidelines. The Executive and Planning Committee, in addition to setting the agenda for each Judicial Council meeting, is authorized to act on behalf of the Judicial Council in approving allocations when convening the Judicial Council is impractical. This includes reviewing and approving any and all reports related to the Mod Fund.

7. Reference Materials

The following items are attached to these guidelines: a summary of the legal authority, purpose, major funding sources, description, and disposition of the fund and a copy of Government Code section 77213 (Chapter 850, Statutes of 1997). As referenced in Government Code section 77213, a copy of Government Code section 77205 is attached as well.

Administrative Office of the Courts		Fund: 0556
<p align="center">STATE OF CALIFORNIA STATE FUNDS</p>		<p align="center">PAGE 1 Renumbered From:</p>
<p><u>Legal Title</u> Judicial Administration Efficiency and Modernization Fund</p>		
<p><u>Legal Citation/Authority</u> Government Code section 77213 Chapter 850, Statutes of 1997</p>		
<p><u>Fund Classification</u> <u>GAAP Basis</u> Governmental/Special Revenue Funds</p>	<p><u>Fund Classification</u> <u>Legal Basis</u> Governmental/Other Governmental Cost Funds</p>	
<p><u>Purpose</u> The Judicial Administration Efficiency and Modernization Fund was created to promote improved access, efficiency, and effectiveness in trial courts and to implement projects approved by the Judicial Council. Projects may include, but are not limited to, the following: (1) support the payment for cost of judicial officers or court staff who participate in in-state education programs, or to support local trial court education programs; (2) improve technology including information systems programming or equipment upgrades that meet standards approved by the Judicial Council and that promote efficiency and access to justice, or other technology that promotes access, efficiency, or security; (3) retain experienced jurists by establishing incentives of enhanced judicial benefits and educational sabbaticals, not to exceed 120 days every five years, as provided for by rules of court adopted by the Judicial Council; (4) acquire improved legal research through the use of law clerks or technology.</p>		
<p><u>Administering Agency/Organization Code</u> State Trial Court Funding/Org Code 0450</p>		
<p><u>Major Revenue Source</u> Transfer from the General Fund/Fines and Forfeitures</p>		
<p><u>Disposition of Fund (upon abolishment)</u> Any funds in the Judicial Administration Efficiency and Modernization Fund that are unencumbered at the end of the fiscal year shall be retained in the Judicial Administration Efficiency and Modernization Fund for the following fiscal year. Moneys deposited in the fund shall be placed in an interest-bearing account. Any interest earned shall accrue to the fund and shall be disbursed for purposes of this section.</p>		
<p><u>Appropriation Authority</u> This fund is available upon appropriation by the Legislature.</p>		
<p><u>State Appropriations Limit</u> Always Excluded: Revenues in this fund have already been counted in an included fund (the General Fund) and should not be double-counted.</p>		
<p><u>Comments/Historical Information</u> Administering Org changed from 0250 to 0450.</p>		

GOVERNMENT CODE SECTION 77213

77213. (a) There is in the State Treasury the Judicial Administration Efficiency and Modernization Fund.

(b) Moneys deposited into this fund shall be administered by the Judicial Council, subject to appropriation by the Legislature. The Judicial Council may, with appropriate guidelines, delegate to the Administrative Office of the Courts the administration of the fund. Moneys in the fund may be expended to promote improved access, efficiency, and effectiveness in trial courts that have unified to the fullest extent permitted by law. Moneys in the fund may be expended to implement projects approved by the Judicial Council. Expenditures may be made to vendors or individual trial courts that have the responsibility to implement approved projects. Projects approved by the Judicial Council may include, but are not limited to, the following:

(1) Support the payment for cost of judicial officers or court staff who participate in in-state education programs, or to support local trial court education programs.

(2) Improved technology including information systems programming or equipment upgrades that meet standards approved by the Judicial Council and that promote efficiency and access to justice, or other technology that promotes access, efficiency, or security.

(3) Retain experienced jurists by establishing incentives of enhanced judicial benefits and educational sabbaticals, not to exceed 120 days every five years, as provided for by rules of court adopted by the Judicial Council.

(4) Acquire improved legal research through the use of law clerks or technology.

(c) Annually, the Judicial Council shall adopt criteria, timelines, and procedures for the allocation of funds to support

activities for the benefit of qualified courts. The Judicial Council may allocate funding to pay program costs directly, contract with courts, and permanently reallocate funding to courts subject to the following limitations:

(1) Not more than 20 percent of the fund may be permanently reallocated pursuant to paragraph (1) of subdivision (b). The Judicial Council shall develop a plan which will permit the extension of the benefits to all judges of the state at such time when the trial courts of all counties have unified to the maximum extent permitted by law.

(2) Not more than 40 percent may be permanently reallocated to trial courts for any other purpose approved by the Judicial Council.

(3) The Judicial Council shall retain at least 40 percent of the funding to support annual allocations for improvement projects and programs in qualifying courts.

(4) Written notice shall be given to the Director of the Department of Finance and the Joint Legislative Budget Committee of any permanent reallocation.

(d) Except as specified in this section, the funding in the Judicial Administration Efficiency and Modernization Fund shall be subject to the expenditures as specified in Section 77205. Any funds in the Judicial Administration Efficiency and Modernization Fund that are unencumbered at the end of the fiscal year shall be retained in the Judicial Administration Efficiency and Modernization Fund for the following fiscal year.

(e) Moneys deposited in the Judicial Administration Efficiency and Modernization Fund shall be placed in an interest-bearing account. Any interest earned shall accrue to the fund and shall be disbursed pursuant to subdivision (f).

(f) Money deposited in the Judicial Administration Efficiency and Modernization Fund may be disbursed for purposes of this section.

CALIFORNIA CODES

GOVERNMENT CODE

SECTION 77205

77205. (a) Notwithstanding any other provision of law, in any year in which a county collects fee, fine, and forfeiture revenue for deposit into the county general fund pursuant to Sections 1463.001 and 1464 of the Penal Code, Sections 42007, 42007.1, and 42008 of the Vehicle Code, and Sections 27361 and 76000 of, and subdivision (f) of Section 29550 of, the Government Code that would have been deposited into the General Fund pursuant to these sections as they read on December 31, 1997, and pursuant to Section 1463.07 of the Penal Code, and that exceeds the amount specified in paragraph (2) of subdivision (b) of Section 77201 for the 1997-98 fiscal year, and paragraph (2) of subdivision (b) of Section 77201.1 for the 1998-99 fiscal year, and thereafter, the excess amount shall be divided between the county or city and county and the state, with 50 percent of the excess transferred to the state for deposit in the Trial Court Improvement Fund and 50 percent of the excess being deposited into the county general fund. For the purpose of this subdivision, fee, fine, and forfeiture revenue shall only include revenue that would otherwise have been deposited in the General Fund prior to January 1, 1998.

(b) Any amounts required to be distributed to the state pursuant to subdivision (a) shall be remitted to the Controller no later than 45 days after the end of the fiscal year in which those fees, fines, and forfeitures were collected. This remittance shall be accompanied by a remittance advice identifying the quarter of collection and

stating that the amount should be deposited in the Trial Court Improvement Fund.

(c) Notwithstanding subdivision (a), the following counties whose base-year remittance requirement was reduced pursuant to subdivision (c) of Section 77201.1 shall not be required to split their annual fee, fine, and forfeiture revenues as provided in this section until such revenues exceed the following amounts:

County	Amount
Placer	\$ 1,554,677
Riverside	11,028,078
San Joaquin	3,694,810
San Mateo	5,304,995
Ventura	4,637,294